United Nations Convention on the Law of the Sea SPLOS/112

Meeting of States Parties

Distr.: General
15 April 2004

Original: English

Fourteenth meeting
New York, 14-18 June 2004

Budget performance for 2003

Report on action taken pursuant to the decision on budgetary matters for 2003 taken by the thirteenth Meeting of States Parties

I. Introduction

1. The thirteenth Meeting of States Parties decided that "[i]n the event that the Tribunal is unable to meet approved expenditures for 2003 from appropriations made with respect to the budget lines 'Established posts' and 'Common staff costs'", the Registrar would be authorized "to incur expenditures to the extent that the shortfall in appropriations results from unforeseeable increases in daily subsistence allowance (DSA), salary costs and common costs, as applied within the United Nations common system" (SPLOS/99, para. 1). It also decided that "[i]n the event that the Tribunal is unable to meet approved expenditures for 2003 from appropriations made in the budget line 'Maintenance of premises'", the Registrar would be authorized "to incur expenditures to the extent that the shortfall in appropriations results from exchange rate fluctuations" (SPLOS/99, para. 2). It further authorized the Tribunal to finance such overexpenditures by transfers between appropriation sections as far as possible and, if necessary, by using the savings from the financial period 2002 (SPLOS/99, para. 3). The Meeting of States Parties also decided that the Registrar would report to the fourteenth Meeting of States Parties on any action taken pursuant to the decision. The present report is submitted to the Meeting of States Parties in accordance with the decision of the Meeting of States Parties as contained in document SPLOS/99.

II. Overexpenditures

2. As shown in the draft performance report contained in annex I to the budget proposals of the Tribunal for 2005-2006, expenditure under the section "Staff costs" in 2003 amounted to US$ 3,930,082. This exceeds the amount appropriated (US$ 3,301,300) by US$ 628,782. It may be noted, however, that the overexpenditure on the two budget lines "Established posts" (US$ 557,796) and "Common staff costs" (US$ 109,135) was in part financed by savings (US$ 47,203)

04-31261 (E) 050504

under the same section "Staff costs". The increase in expenditure relative to the amount appropriated under the approved budget for 2003 results from the factors referred to in document SPLOS/2003/WP.5 of 25 March 2003 (exchange rate fluctuations between the US dollar and the euro; increases in the standard costs for staff and common staff costs, as applied within the United Nations common system; and the increases in the daily subsistence allowance rate for Hamburg, as determined by the International Civil Service Commission). In particular, the appreciation of the euro against the US dollar from 1.158 in March 2002 to 0.842 in December 2003, when the budget proposals for 2003 were prepared, has resulted in a level of expenditure with respect to staff costs which exceeds substantially the level of appropriations made in the budget for 2003. As a consequence, the overexpenditure in the section "Staff costs" amounts to US$ 628,782.

3. Expenditure under the section "Operating expenditures" in 2003 amounted to US$ 1,251,511, which exceeds the amount appropriated (US$ 1,232,700) by US$ 18,811. However, although the budget line "Maintenance of premises" was overspent by US$ 106,045, it was possible to achieve savings amounting to US$ 87,234 in the other budget lines of this section. It may be noted that expenditures under this section are paid in euros and that the overexpenditure resulted from fluctuations in the euro/US dollar exchange rate. At the same time, the Tribunal did not fully utilize the appropriations made in other sections of the budget in order to mitigate the impact of exchange-rate fluctuations. As a consequence, the overexpenditure in the section "Operating expenditures" amounts to $18,811.

III. Action taken by the Tribunal

4. In accordance with the decision of the Meeting of States Parties, at its seventeenth session the Tribunal decided to finance the overexpenditures for "Staff costs" (US$ 628,782) and "Operating expenditures" (US$ 18,811) by transfer between appropriation sections as follows:[1]

Appropriation sections	*Appropriation*	*Expenditure*	*Difference before transfer*	*Transfer*	*Difference after transfer*
1. Judges	1 896 000	1 710 653	185 347	-167 693	17 654
2. Staff costs	3 301 300	3 930 082	-628 782	628 782	0
3. Operating expenditures	1 232 700	1 251 511	-18 811	18 811	0
4. Contingency (judges)	808 600	328 686	479 914	-479 900	14
Total US$	**7 238 600**	**7 220 932**	**17 668**	**0**	**17 668**

5. There was no need to finance the overexpenditures by using the savings from the financial period 2002.

[1] All figures are provisional.